



**AGENDA**

**BOARD OF PILOT COMMISSIONERS  
for  
HARRIS COUNTY PORTS**

**April 22, 2014  
9:30 a.m.**

**Fourth Floor Boardroom  
111 East Loop North  
Houston, TX 77029**

**A. CALL TO ORDER**

**B. APPROVAL OF MINUTES**

March 25, 2014 Public Meeting

**C. APPEARANCES**

**D. CHAIRMAN'S REMARKS**

**E. PILOT MATTERS**

1. Adoption of the Supplementary Order Regarding Harris County Pilotage with respect to the Pilot Board's "Decision and Reasons For Decision on 2014 Harris County Pilot Rates" dated January 31, 2014, in connection with the Houston Pilots rate application dated September 16, 2013
2. Appointment of Captain Richard H. Russell as a Pilot Board Investigation and Recommendation Committee Member

*(Recess Open Meeting and convene Executive Session)*

**F. EXECUTIVE SESSION**

1. Consultation with Attorneys (Section 551.071, Texas Open Meetings Act)
2. Real Estate (Section 551.072, Texas Open Meetings Act)
3. Economic Development Negotiations or Incentives (Section 551.087, Texas Open Meetings Act)

4. Employment and Evaluation of Public Employees (Section 551.074, Texas Open Meetings Act), including deliberations regarding public employees
5. Security-Related Matters (Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act)

**G. ADJOURN EXECUTIVE SESSION AND RECONVENE OPEN MEETING**

*(Announce any items from Executive Session requiring Pilot Commission action)*

**H. ADJOURN**

**NEXT MEETING REQUESTED**  
May 20, 2014

## Request for Pilot Board Action

<b>Category:</b> Pilot Matters	<b>Agenda Date:</b> April 22, 2014	<b>Agenda Section:</b> E - 1
<b>From:</b> <b>Division:</b> Legal <b>Branch:</b> Pilot Administration	<b>Staff Contact:</b> Erik Eriksson	
<b>Summary Recommendation:</b> Adoption of the Supplementary Order Regarding Harris County Pilotage with respect to the Pilot Board's "Decision and Reasons For Decision on 2014 Harris County Pilot Rates" dated January 31, 2014, in connection with the Houston Pilots rate application dated September 16, 2013.		
<b>Background:</b> The Houston Pilots Licensing and Regulatory Act, Chapter 66 of the Texas Transportation Code (the "Act"), requires the Board of Pilot Commissioners for the Ports of Harris County (the "Pilot Board") to establish pilotage rates for the Ports of Harris County, as provided therein.  By letter dated September 16, 2013, the Houston Pilots submitted an application to the Pilot Board for a change in such pilotage rates (the "Application"). Following hearings on the Application on October 22, 2013, November 19, 2013, and December 10, 2013, the Pilot Board adopted its "Decision and Reasons For Decision on 2014 Harris County Pilot Rates" (the "Decision"), and provisionally granted the Application, on January 31, 2014.  The Pilot Board also directed the Houston Pilots and the maritime industry to continue to work to reach agreement on pilotage rates for 2014 and subsequent years and reserved the right to take further action with regard to the matter.  On March 21, 2014 the Houston Pilots and the maritime industry announced they had reached agreement on pilotage rates for 2014, 2015, and 2016, and at the Pilot Board's March 25, 2014 meeting, the Pilot Board established pilot rates for these calendar years in accordance with the agreement that was reached on March 21.		
<b>Staff Evaluation/Justification:</b> Transportation Code Sec. 66.065 requires that the Pilot Board issue a written decision in order to grant or deny a rate application, state each new pilotage rate therein, and state the reasons for the decision.  Accordingly, counsel recommends that that the Pilot Board adopt the Supplementary Order Regarding Harris County Pilotage attached as Exhibit A, with respect to the Pilot Board's "Decision and Reasons For Decision on 2014 Harris County Pilot Rates" dated January 31, 2014 in connection with the Houston Pilots rate Application dated September 16, 2013, and thereby ratify its actions of March 25 and conform to the statute.		
<b>Full Recommendation:</b> The Board of Pilot Commissioners, at its April 22, 2014 meeting, adopt the Supplementary Order Regarding Harris County Pilotage with respect to the Pilot Board's "Decision and Reasons For Decision on 2014 Harris County Pilot Rates" dated January 31, 2014, in connection with the Houston Pilots rate application dated September 16, 2013, and further authorize the Secretary of the Pilot Board to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.		

In re: Pilot Rate Change Application for Harris County, Texas

Before

The Board of Pilot Commissioners for Harris County, Texas

**SUPPLEMENTARY ORDER REGARDING HARRIS COUNTY PILOTAGE**

**I. Background**

A. The Board of Pilot Commissioners of Harris County, Texas (the "Board") hereby adopts this Supplementary Order Regarding Harris County Pilotage with respect to its "Decision and Reasons For Decision on 2014 Harris County Pilot Rates" adopted January 31, 2014 (the "Decision"), in connection with the application (the "Application") dated September 16, 2013 by the Houston Pilots ("Pilots") for an increase in pilot rates under the Houston Pilots Licensing and Regulatory Act, Title 4, Subtitle B, Chapter 66, Subchapter D, Sections 66.061, *et seq.*, TEX. TRANSPORTATION CODE.

B. Section 2 of the Decision provided a mechanism whereby the Pilots and the West Gulf Maritime Association ("WGMA") would attempt to reach agreement on Harris County pilotage rates for 2014, and reasonable and necessary revisions to the Pilots' Navigation Safety Guidelines, and any related revisions to this Board's Rules and Regulations.

C. In addition, Section 2 further provided:

If no such agreement has been reached by the close of business on March 3, 2014, the Board shall take further action to determine appropriate rates, guidelines, and rules and regulations as necessary to serve the best interests of stakeholders of the Port of Houston, considering the factors stated by Section 66.064.

D. Section 22 of the Decision went on to provide in part as follows:

The Board makes no finding on the question of whether two pilots, as are used for piloting wide-body tanker vessels, are required as a matter of safety for wide-body container vessels.

\* \* \*

If this issue is not resolved, the Pilot Board reserves the right to make a determination on the appropriate resolution of this matter, along with the requested rate increase.

E. Finally, Section 23 further provided that the Board “reserves the right to order a resolution of the stated issues for a term longer than one year.”

F. On March 10, 2014, Roger Guenther, Secretary of the Board, publicly announced that the Pilots and maritime industry representatives had not reached an agreement by March 3.

G. On March 21, 2014, the Pilots advised the Board that an agreement regarding these matters had been reached with maritime industry representatives, including the WGMA.

## **II. Supplementary Order**

The Board has determined that due to the complexity of the issues and the number of interested parties, and its previous determinations in the Decision as set forth above, it should act immediately on this agreement. Accordingly, the Board hereby adopts the following order, as a further disposition of the Pilot’s Application, supported by substantial evidence, for the reasons set forth in its Decision:

1. Pilotage rates for Harris County ports for the calendar year 2014 shall be in effect as set forth on Exhibit B, “The Rates for Pilotage on the Houston Ship Channel to or from Sea or Bolivar Roads and other Charges for Special Instances commencing January 1, 2014,” subject to the provisions of Exhibit A, “Outline of Agreed Modifications to Houston Pilots Tariffs” and Exhibit E, “Memorandum of Agreement with Industry and the Houston Pilots dated March 21, 2014.”
2. Pilotage rates for Harris County ports for the calendar year 2015 shall be in effect as set forth on Exhibit C, “The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads commencing January 1, 2015,” subject to the provisions of Exhibit A and Exhibit E.
3. Pilotage rates for Harris County ports for the calendar year 2016 shall be in effect as set forth on Exhibit D, “The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads commencing January 1, 2016,” subject to the provisions of Exhibit A and Exhibit E.
4. The Pilots are further ordered to comply with paragraphs 2, 5, and 6 of Exhibit E.

Dated March 25, 2014

Exhibit A

Outline of Agreed Modifications to Houston Pilots Tariffs

**OUTLINE OF AGREED MODIFICATIONS  
TO HOUSTON PILOTS TARIFFS**

1. The 50% surcharge for Zone 1 will be eliminated September 1, 2014.
2. Unit charges, draft charges, shifting charges, anchorage, and minimums will increase by:  
  
    2015 – 3%  
    2016 – 3%  
  
    With two exceptions – over 40' drafts for Zones 2 – 6 will be double under 40' drafts; and vessels under 700 units will be charged \$1.5 or 2.0 per unit in 2015
3. Ancillary charges will be increased as indicated on the attached tariff and will remain constant for both years, with the exception of the transportation charge.
4. Pilot away holding will be decreased. \$200 for the first ten minutes in 2015; \$200 per five minutes thereafter
5. Port safety charge will increase from \$165 in 2014 to \$210 in 2015



Exhibit B

The Rates for Pilotage on the Houston Ship Channel to or from Sea or Bolivar Roads and other Charges for Special Instances commencing January 1, 2014

**HOUSTON PILOTS**

The Rates for Pilotage on the Houston Ship Channel to or from Sea or Bolivar Roads and other Charges for Special Instances are as follows commencing January 1, 2014.

**I ZONE DRAFT RATES**

	<u>40 Feet &amp; Under</u>	<u>Over 40 Feet</u>
a. ZONES		
1. Sea - To and Including Barbours Cut.....	<b>74.28</b>	<b>80.60</b>
2. Baytown - To and Including Lynchburg.....	<b>75.58</b>	<b>179.62</b>
3. Above Lynchburg - To and Including Shell.....	<b>76.89</b>	<b>186.33</b>
4. Above Shell - To and Including Targa.....	<b>78.14</b>	<b>193.04</b>
5. Above Targa - To and Including U.S. Gypsum.....	<b>79.51</b>	<b>199.73</b>
6. Above U.S. Gypsum - To and Including Turning Basin.....	<b>80.78</b>	-
b. Deeper-drafted ships loaded beyond 40 ft. draft will be charged at the higher rate then in effect.		
c. Vessels 450 feet and over will be charged for Minimum Draft of 24 feet.		

**II UNITS In addition to ZONE DRAFT RATE**

- a. The UNITS are determined by the vessel's length overall (feet) multiplied by the vessel's extreme breadth (feet) divided by 100.
1. LENGTH OVERALL shall be the distance between the forward and after extremities of the vessel.
  2. EXTREME BREADTH shall be the maximum breadth between the outside of the shell platings of the vessel.

<u>Units</u>	<u>Cost per Unit</u>	<u>Units</u>	<u>Cost per Units</u>	<u>Units</u>	<u>Cost per Units</u>
0-200	<b>.000</b>	1101-1150	<b>3.982</b>	1651-1700	<b>6.063</b>
201-300	<b>.883</b>	1151-1200	<b>3.998</b>	1701-1750	<b>6.148</b>
301-400	<b>1.111</b>	1201-1250	<b>5.297</b>	1751-1800	<b>6.233</b>
401-500	<b>1.328</b>	1251-1300	<b>5.383</b>	1801-1850	<b>6.318</b>
501-600	<b>1.550</b>	1301-1350	<b>5.469</b>	1851-1900	<b>6.402</b>
601-700	<b>1.821</b>	1351-1400	<b>5.554</b>	1901-2000	<b>6.487</b>
701-800	<b>2.095</b>	1401-1450	<b>5.638</b>	2001-2100	<b>6.748</b>
801-900	<b>2.371</b>	1451-1500	<b>5.722</b>	2101-2200	<b>7.011</b>
901-1000	<b>2.908</b>	1501-1550	<b>5.807</b>	2201-2300	<b>7.273</b>
1001-1050	<b>3.012</b>	1551-1600	<b>5.893</b>	2301-2400	<b>7.536</b>
1051-1100	<b>3.637</b>	1601-1650	<b>5.978</b>	2401-over	<b>7.798</b>

MINIMUM CHARGE - DRAFT ZONE RATE PLUS UNITS **\$1,931.96** per pilot.

III SHIFTING ZONES

- 1. Barbours Cut - Baytown
- 2. Baytown - Lynchburg
- 3. Lynchburg - Shell
- 4. Shell - Targa
- 5. Targa - U.S. Gypsum
- 6. U.S. Gypsum - Turning Basin

a. SHIFTING RATE PER ZONE

Confined to (1) Zone .....	\$1,140.22
Using (2) Zones .....	1,254.17
Using (3) Zones .....	1,368.20
Using (4) Zones .....	1,482.23
Using (5) Zones .....	1,596.25
Using (6) Zones .....	1,710.22

b. UNITS In addition to the SHIFTING RATE PER ZONE

<u>Units</u>	<u>Cost per Unit</u>	<u>Units</u>	<u>Cost per Units</u>	<u>Units</u>	<u>Cost per Units</u>
0-200	.000	701-800	1.824	1301-1400	3.629
201-300	.306	801-900	2.125	1401-1500	3.929
301-400	.612	901-1000	2.425	1501-1600	4.230
401-500	.915	1001-1100	2.726	1601-1700	4.530
501-600	1.216	1101-1200	3.026	1701-1800	4.832
601-700	1.525	1201-1300	3.328	1801-over	5.133

MINIMUM CHARGE - SHIFTING ZONE RATE PLUS UNITS \$1,290.76 per pilot.

IV DEAD SHIPS

Double the Regular Pilotage Charge or Shifting Fees.

V ANCHORING IN BOLIVAR ROADS

An Anchorage Fee of \$686.53 shall be charged in addition to the:

- a. Regular Pilotage Fee for moving a ship from anchorage to port or from the port to anchorage.
- b. Regular Pilotage Fee for moving a ship from the Seabuoy to anchorage in Bolivar Roads or from anchorage in Bolivar Roads to the Seabuoy.

VI DETENTION

AT DOCK After first ½ hour, weather excluded.....\$411.89  
 ON BAR After 1 hour, weather excluded.....\$411.89

VII HOLDING TIME

STANDARD RATE for holding other than pilot away.....\$411.89 per hour

a. Holding (Transit) time shall be billed to all vessels requesting or requiring a Pilot to slow down or hold a vessel for any reason other than weather such as:

- \* Availability of dock
- \* Mechanical limitations (difficulties)

Holding in transit will not be charged when delays are attributable to weather including foggy conditions, or waiting on tug boats.

b. Holding (Pilot Away) for arrivals at the dock, any time over thirty five (35) minutes after first line shall be billed at \$200 for every five minute interval up to a \$1,200 maximum until pilot away.

c. Holding (Overtime)

TOWS - When requiring over 7 hours of transit time (boarding to first line; last line to pilot off), a pilotage rate of \$411.89 per hour shall be charged in addition to normal pilotage fees.

SHIPS - When requiring over 7 hours of transit time (boarding to first line; last line to pilot off), a pilotage rate of \$411.89 per hour shall be charged in addition to normal pilotage fees.

The foregoing charges will not apply when delays are attributable to weather.

VIII CANCELLATIONS

For those vessels electing "automatic ordering" at the beginning of a calendar quarter commencing January 1, 2014, a charge of \$250 per movement shall be invoiced accordingly. Those wishing to opt out of this pilot program can do so at the end of any trial period corresponding with the end of a 2014 calendar quarter.

Nonparticipating vessels are under no obligation to participate but, as in the past, will be subject to cancellation charges as follows:

	2 HRS	1 HR	30 MINUTES
AT DOCK .....	\$411.89	\$823.78	\$1,235.67
	4 HRS	2 HRS	1 HR
ON BAR .....	\$686.53	\$1,373.05	\$2,059.58

**IX SPECIAL TARIFF CLAUSE**

The rates for Pilotage Services for vessels of unusual size or construction or with unusual maneuvering characteristics, or with restricted vision, or other services not covered herein shall be by Specific Agreement made before movement.

**X SECOND PILOT REQUIREMENTS**

Requirements for two pilot jobs are specified in the Houston Pilot Navigational Safety Guidelines incorporated herein by reference. For one zone movements by ships formerly requiring two pilots, the one pilot shall be charged at 150% of prevailing unit and draft charges.

**XI PROMOTIONAL CRUISE SHIP DISCOUNT**

A 50% promotional discount in pilotage applies for a one year period commencing January 1, 2014 for cruise ships calling at the new Bayport Cruise Terminal.

**XII PORT SAFETY COMMUNICATIONS.....\$163.79 Per Movement**

**XIII TRANSPORTATION**

Includes a fuel factor increase of \$7.00 per movement based on actual costs incurred for the preceding year.

**\$145.24** Per Movement, including arrivals, sailings, shifting, cancellations at the dock and cancellations on the Bar.

**\$220.35** Fee will be assessed when dispatching a Pilot to Galveston on less than four (4) hours notice or when dispatching a pilot to a shift job with less than four (4) hours notice.

**XIV EFFECTIVE DATE OF TARIFF AGREEMENT**

This tariff incorporates a provisional 3.5% adjustment subject to refund in the event we are unable to resolve a narrow technical issue commencing **January 1, 2014**.

**XV CUSTOMER INQUIRIES**

For questions concerning Invoices or Billing Issues, contact Ms. Trisha Willis, (281) 476-8212 or by email at [trisha@houston-pilots.com](mailto:trisha@houston-pilots.com).

Our Presiding Officer is also available at ext. 504 or through Ms. Willis, to discuss Billing Issues where further review is desired.

Exhibit C

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads commencing January 1, 2015

# HOUSTON PILOTS 2015 TARIFF

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads are as follows commencing January 1, 2015.

## I. DRAFT RATES

Zones	40 feet <u>and under</u>	Over <u>40 feet</u>
1. Sea – to and including Barbours Cut	76.51	82.92
2. Baytown – to and including Lynchburg	77.85	155.69
3. Above Lynchburg – to and including Shell	79.20	158.39
4. Above Shell – to and including Targa	80.48	160.97
5. Above Targa – to and including U.S. Gypsum	81.90	163.79
6. Above U.S. Gypsum – to and including Turning Basin	83.20	

The over 40 feet rate applies to the entire draft of vessels with a draft over 40 feet.

Vessels 450 feet and over in length will be charged for Minimum Draft of 24 feet.

## II. UNIT RATES

In addition to the draft charge vessels will pay a unit charge. The unit charge equals the units of a vessel times the unit rate. The units of a vessel are determined by multiplying the vessel's length overall in feet times the vessel's extreme breadth in feet, divided by 100. The length overall is the distance between the forward and after extremities of the vessel. The extreme breadth is the maximum breadth between the outside of the shell platings of the vessel. The unit rates are as follows:

Units	Unit rate	Units	Unit rate	Units	Unit rate
0-200	1.500	1101-1150	4.101	1651-1700	6.245
201-300	1.500	1151-1200	4.118	1701-1750	6.332
301-400	1.500	1201-1250	5.456	1751-1800	6.420
401-500	2.000	1251-1300	5.544	1801-1850	6.508
501-600	2.000	1301-1350	5.633	1851-1900	6.594
601-700	2.000	1351-1400	5.721	1901-2000	6.682
701-800	2.158	1401-1450	5.807	2001-2100	6.950
801-900	2.442	1451-1500	5.894	2101-2200	7.221
901-1000	2.995	1501-1550	5.981	2201-2300	7.491
1001-1050	3.102	1551-1600	6.070	2301-2400	7.762
1051-1100	3.746	1601-1650	6.157	2401-over	8.032

The minimum of a draft charge plus the unit charge is \$1,989.92.

## III. RATES FOR SHIFTING

The charge for shifting is the total of a zone charge and a unit charge. A movement to or out of Bayport is a transit and is not a shift.

The shifting zones are:

1. Barbours Cut to Baytown
2. Baytown to Lynchburg
3. Lynchburg to Shell
4. Shell to Targa
5. Targa to U.S. Gypsum
6. U.S. Gypsum to the Turning Basin

a. Shifting rate per zone

The charge based on zones for shifting depends on the number of zones the vessel is in during the shift, as follows:

Confined to one zone	1,174.43
Using two zones	1,291.80
Using three zones	1,409.25
Using four zones	1,526.70
Using five zones	1,644.14
Using six zones	1,761.53

b. Unit shifting charge

Units are defined in Section II. The unit charge for shifting is the units multiplied by the following rate:

Units	Unit rate	Units	Unit rate	Units	Unit rate
0-200	0.000	701-800	1.879	1301-1400	3.738
201-300	0.315	801-900	2.189	1401-1500	4.047
301-400	0.630	901-1000	2.498	1501-1600	4.357
401-500	0.942	1001-1100	2.808	1601-1700	4.666
501-600	1.252	1101-1200	3.117	1701-1800	4.977
601-700	1.571	1201-1300	3.428	1801-over	5.287

The minimum shifting charge is \$1,329.48.

IV. DEAD SHIPS

The charge for dead ships is double the regular pilotage charge of shifting charge.

V. ANCHORAGE AT BOLIVAR ROADS

An anchorage fee of \$707.13 is charged in addition to the regular pilotage fee for moving a ship from anchorage to port or from the port to anchorage; and in addition to the regular pilotage fee for moving a ship from the sea buoy to anchorage in Bolivar Roads or from anchorage in Bolivar Roads to the sea buoy.



## VI. DETENTION

When a pilot is ordered but the vessel is not ready to be moved when ordered, the following charge will apply unless the delay is caused by weather.

On dock	After 30 minutes	\$450
On bar	After one hour	\$450

There is no detention or cancellation charge if the vessel is on an automatic order and the delay is attributable to a vessel occupying the intended berth.

## VII. CHARGE FOR FAILURE TO TIMELY DISCHARGE PILOT AND HOLDING CHARGES

The standard rate for holding a pilot other than failure to timely discharge a pilot is \$450 per hour.

Transit time will be billed to all vessels requesting or requiring a pilot to slow down or hold a vessel for any reason other than weather such as the availability of dock or mechanical difficulties. Holding in transit will not be charged when delays are attributable to weather including foggy conditions, or waiting on tug boats.

Holding a pilot on the vessel during arrivals at the dock, any time over 35 minutes after first line will be billed at \$200 for the first ten minutes, and then \$200 per five minutes with a maximum of \$1,200 until pilot away.

When tows require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

When vessels movements require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

## VIII. CANCELLATIONS

For those vessels electing automatic ordering at the beginning of a calendar quarter a charge of \$250 per movement will apply. Vessels may opt in or out at the end of each quarter. Automatic ordering procedures are in a test phase, so the requirements for, and procedures of, automatic ordering may be changed to improve efficiency and the utilization of pilot time.

Nonparticipating vessels are under no obligation to participate but will be subject to cancellation charges when a pilot is ordered and then the order is cancelled:

	Two hours	One hour
At dock	\$500	\$1,000
	Four hours	Two hours
On bar	\$750	\$1,500

IX. SPECIAL TARIFF CLAUSE

The rates for pilotage services for vessels of unusual size or construction or with unusual maneuvering characteristics, or with restricted vision, or other services not covered in this tariff will be by specific agreement made before movement.

X. SECOND PILOT REQUIREMENTS

Requirements for two pilot jobs are specified in the Houston Pilot Navigational Safety Guidelines which are incorporated by reference. The rate for the second pilot is the same as the first.

XI. CRUISE SHIPS

The rate for a cruise ship is 50% of the rate calculated under this tariff. This discount will apply until December 31, 2016.

XII. PORT COMMUNICATIONS

A charge for each move of \$210.00 will be charged for port communications.

XIII. TRANSPORTATION

A charge for each move and each cancellation of \$145.24 – which will be adjusted each year based on actual fuel costs incurred for the preceding year.

XIV. SHORT NOTICE CHARGE

If a vessel requests a move with less than four hours notice, there will be an additional \$230 charge for the move.

XV. PILOT INFORMATION AND OUTREACH

Pilots will continue to investigate technologies and procedures to increase efficiency. Pilots will host quarterly industry outreach meetings.

XVI. CUSTOMER INQUIRES

For questions concerning Invoices or Billing Issues, contact Ms. Trisha Willis, (281) 476-8212 or by email at [trisha@houston-pilots.com](mailto:trisha@houston-pilots.com).

Our Presiding Officer is also available at ext. 504 or through Ms. Willis, to discuss billing issues where further review is desired.

Exhibit D

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads commencing January 1, 2016

# HOUSTON PILOTS 2016 TARIFF

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads are as follows commencing January 1, 2016.

## I. DRAFT RATES

Zones	40 feet <u>and under</u>	Over <u>40 feet</u>
1. Sea – to and including Barbours Cut	78.80	85.40
2. Baytown – to and including Lynchburg	80.18	160.37
3. Above Lynchburg – to and including Shell	81.57	163.15
4. Above Shell – to and including Targa	82.90	165.80
5. Above Targa – to and including U.S. Gypsum	84.34	168.70
6. Above U.S. Gypsum – to and including Turning Basin	85.70	

The over 40 feet rate applies to the entire draft of vessels with a draft over 40 feet.

Vessels 450 feet and over in length will be charged for Minimum Draft of 24 feet.

## II. UNIT RATES

In addition to the draft charge vessels will pay a unit charge. The unit charge equals the units of a vessel times the unit rate. The units of a vessel are determined by multiplying the vessel's length overall in feet times the vessel's extreme breadth in feet, divided by 100. The length overall is the distance between the forward and after extremities of the vessel. The extreme breadth is the maximum breadth between the outside of the shell platings of the vessel. The unit rates are as follows:

Units	Unit rate	Units	Unit rate	Units	Unit rate
0-200	1.545	1101-1150	4.225	1651-1700	6.432
201-300	1.545	1151-1200	4.241	1701-1750	6.522
301-400	1.545	1201-1250	5.620	1751-1800	6.613
401-500	2.060	1251-1300	5.711	1801-1850	6.703
501-600	2.060	1301-1350	5.802	1851-1900	6.792
601-700	2.060	1351-1400	5.892	1901-2000	6.882
701-800	2.223	1401-1450	5.981	2001-2100	7.159
801-900	2.515	1451-1500	6.070	2101-2200	7.438
901-1000	3.085	1501-1550	6.161	2201-2300	7.716
1001-1050	3.195	1551-1600	6.252	2301-2400	7.995
1051-1100	3.858	1601-1650	6.342	2401-over	8.273

The minimum of a draft charge plus the unit charge is \$2,049.62.

## III. RATES FOR SHIFTING

The charge for shifting is the total of a zone charge and a unit charge. A movement to or out of Bayport is a transit and is not a shift.

The shifting zones are:

1. Barbours Cut to Baytown
2. Baytown to Lynchburg
3. Lynchburg to Shell
4. Shell to Targa
5. Targa to U.S. Gypsum
6. U.S. Gypsum to the Turning Basin

a. Shifting rate per zone

The charge based on zones for shifting depends on the number of zones the vessel is in during the shift, as follows:

Confined to one zone	1,209.66
Using two zones	1,330.55
Using three zones	1,451.52
Using four zones	1,572.50
Using five zones	1,693.46
Using six zones	1,814.37

b. Unit shifting charge

Units are defined in Section II. The unit charge for shifting is the units multiplied by the following rate:

Units	Unit rate	Units	Unit rate	Units	Unit rate
0-200	0.000	701-800	1.935	1301-1400	3.850
201-300	0.325	801-900	2.254	1401-1500	4.168
301-400	0.649	901-1000	2.573	1501-1600	4.488
401-500	0.971	1001-1100	2.892	1601-1700	4.806
501-600	1.290	1101-1200	3.210	1701-1800	5.126
601-700	1.618	1201-1300	3.531	1801-over	5.446

The minimum shifting charge is \$1,369.37.

IV. DEAD SHIPS

The charge for dead ships is double the regular pilotage charge of shifting charge.

V. ANCHORAGE AT BOLIVAR ROADS

An anchorage fee of \$728.34 is charged in addition to the regular pilotage fee for moving a ship from anchorage to port or from the port to anchorage; and in addition to the regular pilotage fee for moving a ship from the sea buoy to anchorage in Bolivar Roads or from anchorage in Bolivar Roads to the sea buoy.

## VI. DETENTION

When a pilot is ordered but the vessel is not ready to be moved when ordered, the following charge will apply unless the delay is caused by weather.

On dock	After 30 minutes	\$450
On bar	After one hour	\$450

There is no detention or cancellation charge if the vessel is on an automatic order and the delay is attributable to a vessel occupying the intended berth.

## VII. CHARGE FOR FAILURE TO TIMELY DISCHARGE PILOT AND HOLDING CHARGES

The standard rate for holding a pilot other than failure to timely discharge a pilot is \$450 per hour.

Transit time will be billed to all vessels requesting or requiring a pilot to slow down or hold a vessel for any reason other than weather such as the availability of dock or mechanical difficulties. Holding in transit will not be charged when delays are attributable to weather including foggy conditions, or waiting on tug boats.

Holding a pilot on the vessel during arrivals at the dock, any time over 35 minutes after first line will be billed at \$200 for the first ten minutes, and then \$200 per five minutes with a maximum of \$1,200 until pilot away.

When tows require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

When vessels movements require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

## VIII. CANCELLATIONS

For those vessels electing automatic ordering at the beginning of a calendar quarter a charge of \$250 per movement will apply. Vessels may opt in or out at the end of each quarter. Automatic ordering procedures are in a test phase, so the requirements for, and procedures of, automatic ordering may be changed to improve efficiency and the utilization of pilot time.

Nonparticipating vessels are under no obligation to participate but will be subject to cancellation charges when a pilot is ordered and then the order is cancelled:

	Two hours	One hour
At dock	\$500	\$1,000
	Four hours	Two hours
On bar	\$750	\$1,500

IX. SPECIAL TARIFF CLAUSE

The rates for pilotage services for vessels of unusual size or construction or with unusual maneuvering characteristics, or with restricted vision, or other services not covered in this tariff will be by specific agreement made before movement.

X. SECOND PILOT REQUIREMENTS

Requirements for two pilot jobs are specified in the Houston Pilot Navigational Safety Guidelines which are incorporated by reference. The rate for the second pilot is the same as the first.

XI. CRUISE SHIPS

The rate for a cruise ship is 50% of the rate calculated under this tariff. This discount will apply until December 31, 2016.

XII. PORT COMMUNICATIONS

A charge for each move of \$210.00 will be charged for port communications.

XIII. TRANSPORTATION

A charge for each move and each cancellation of \$145.24 – which will be adjusted each year based on actual fuel costs incurred for the preceding year.

XIV. SHORT NOTICE CHARGE

If a vessel requests a move with less than four hours notice, there will be an additional \$230 charge for the move.

XV. PILOT INFORMATION AND OUTREACH

Pilots will continue to investigate technologies and procedures to increase efficiency. Pilots will host quarterly industry outreach meetings.

XVI. CUSTOMER INQUIRES

For questions concerning Invoices or Billing Issues, contact Ms. Trisha Willis, (281) 476-8212 or by email at [trisha@houston-pilots.com](mailto:trisha@houston-pilots.com).

Our Presiding Officer is also available at ext. 504 or through Ms. Willis, to discuss billing issues where further review is desired.

Exhibit E

Memorandum of Agreement with Industry and the Houston Pilots dated March 21, 2014

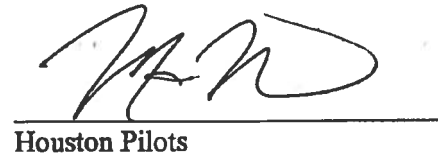


Memorandum of Agreement with Industry and the Houston Pilots

March 21, 2014

1. Upon approval of the 2014-2016 tariff, the 1.5 multiplier on the container vessels will expire on September 1, 2014
2. Starting in 2014 the Houston Pilots will begin to expense the HP Vice President as they currently expense the HP Presiding Officer.
3. The Port Safety charge will be expanded to consist of two components: Port Safety Communications and Port Management. Beginning in 2015, the charge will be \$210, with \$163 allocated to Port Safety Communications and \$47 allocated to Port Management. The name of the charge will be changed to the Port Communications charge.
4. The 2016 tariff adjustment will be 3% applied to Units and Draft charges.
5. As a part of the quarterly outreach meetings, or at any time, the Pilots remain willing to discuss navigational issues, such as: tug matrix, safety guidelines, daylight restrictions, etc...
6. The Houston Pilots will continue to engage in a Master Pilot Conference which will include, among other things, the number and use of assist tugs.

  
West Gulf Maritime Association

  
Houston Pilots

March 21, 2014  
Date

3/21/2014  
Date